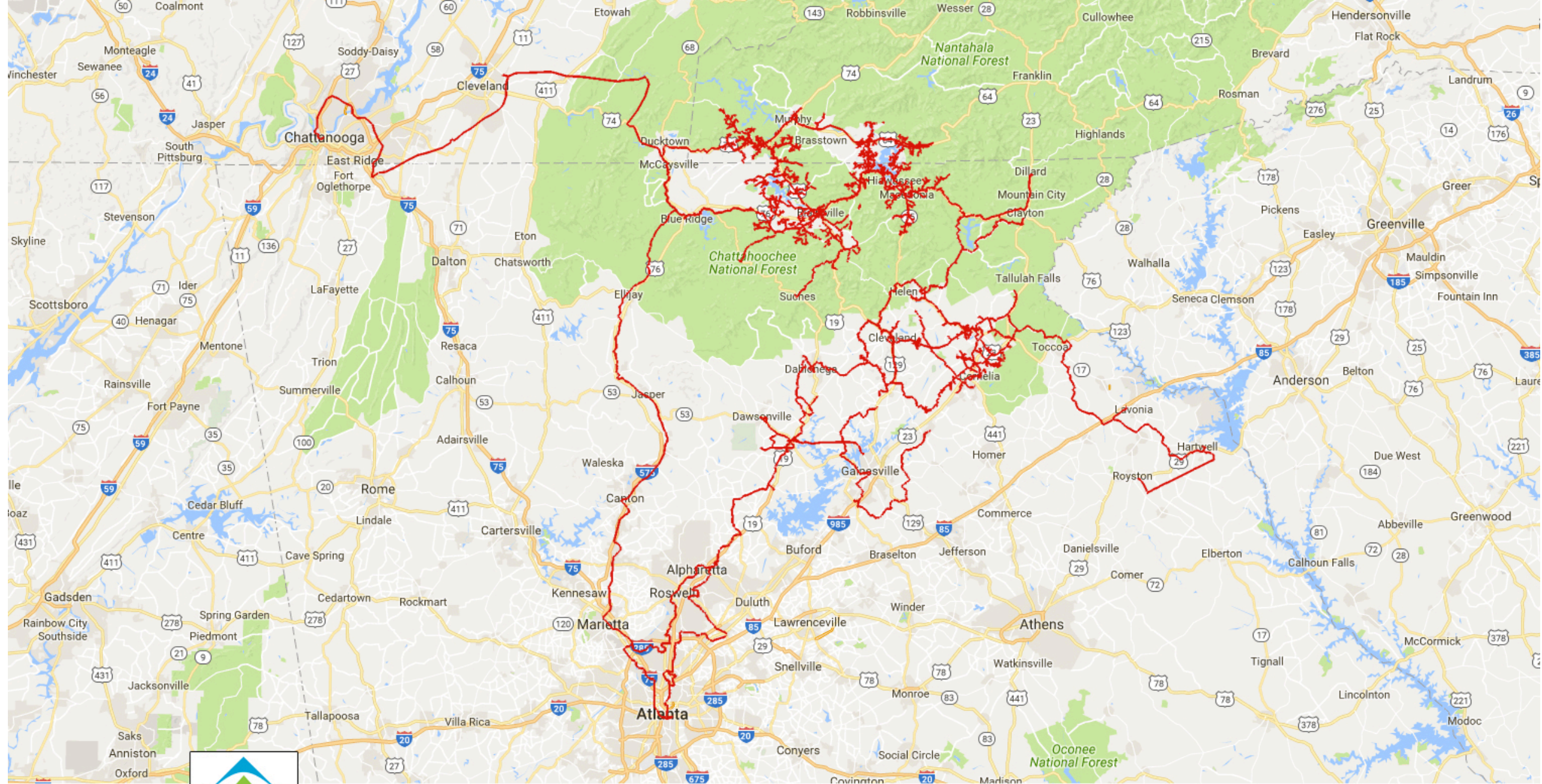


INVEST IN BROADBAND.
INVEST IN ECONOMIC DEVELOPMENT.



Presented by: Paul Belk, President & CEO

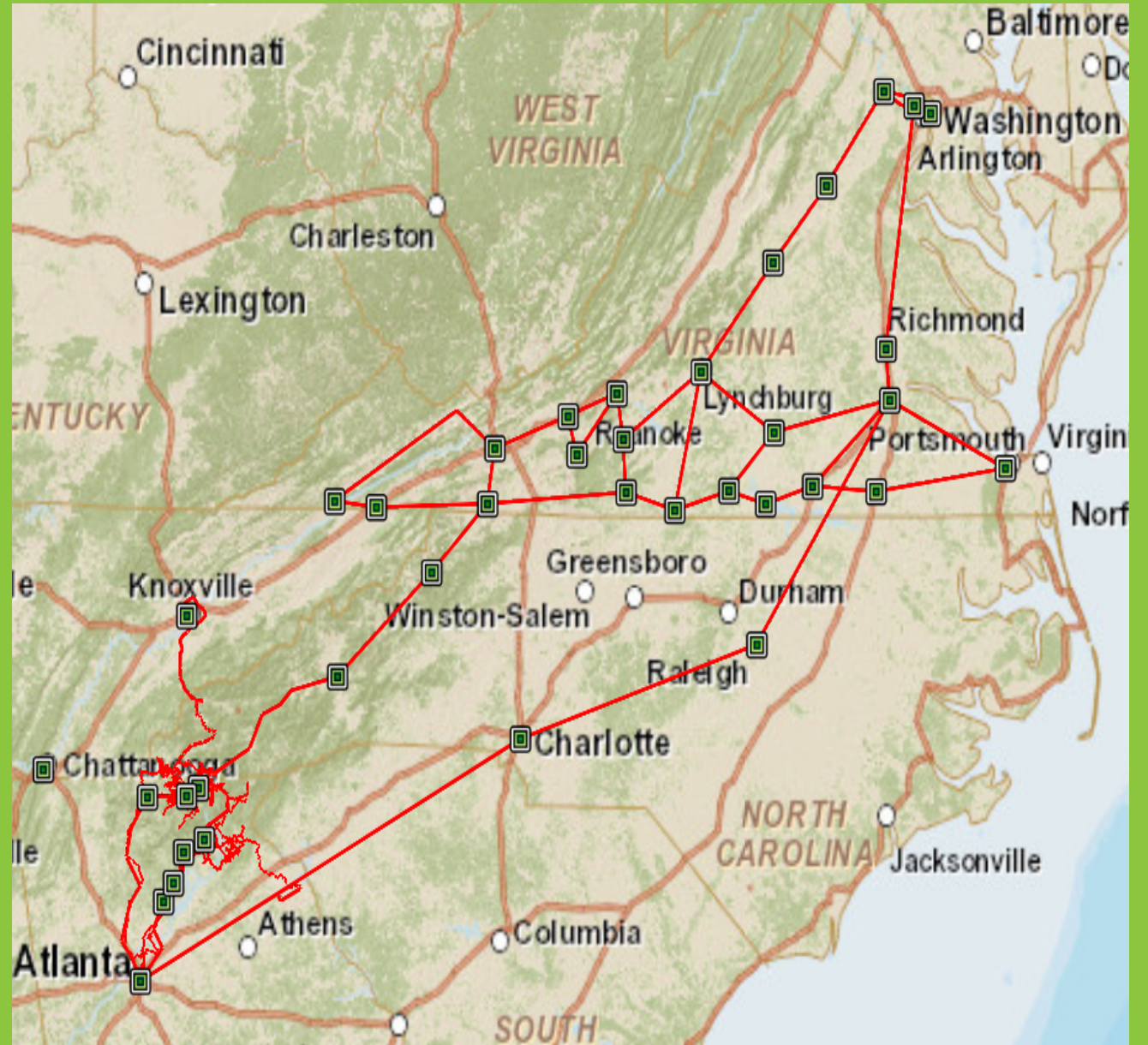


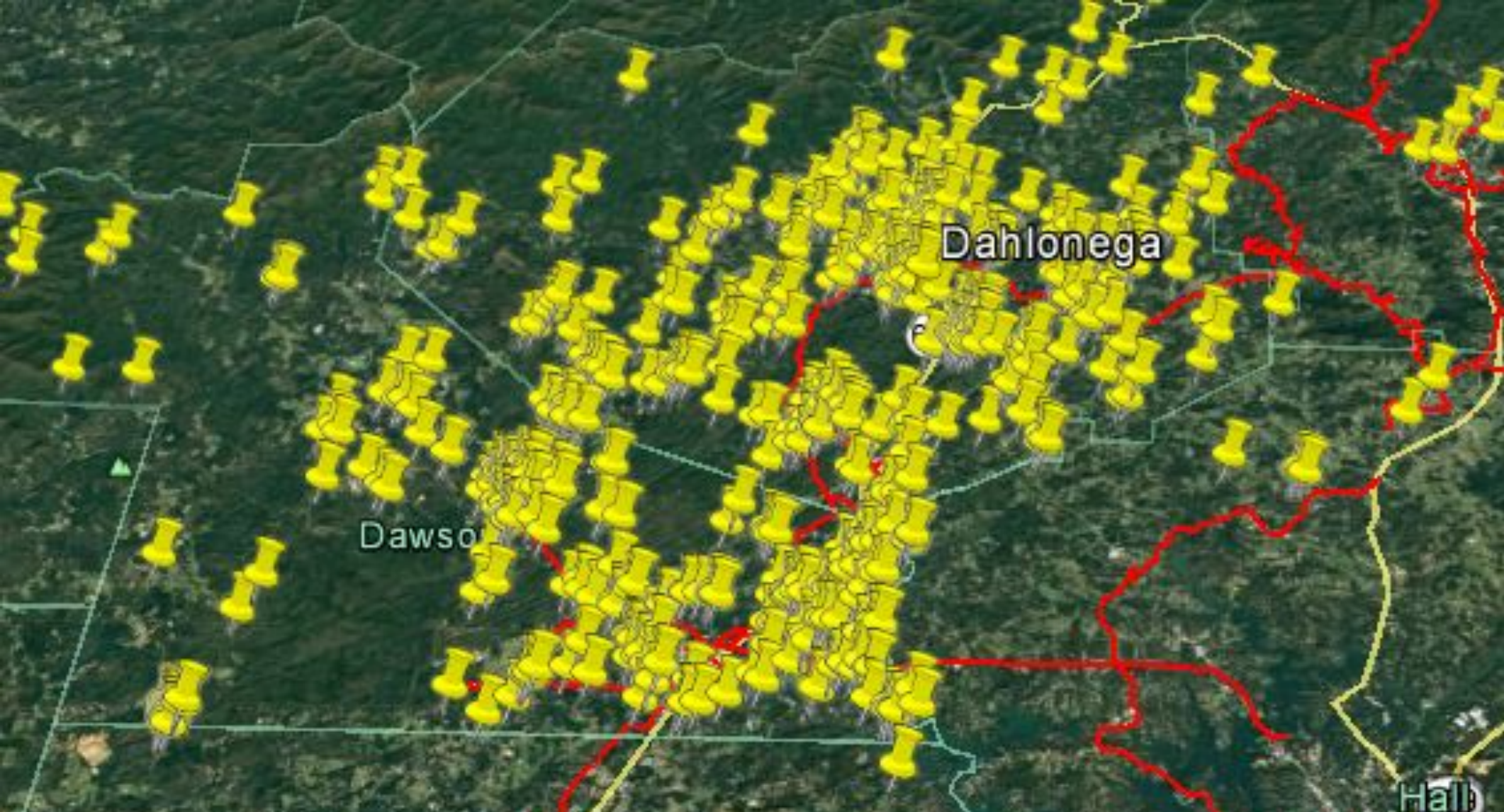
2016 NGN Network Map



NGN

FIBER ROUTE

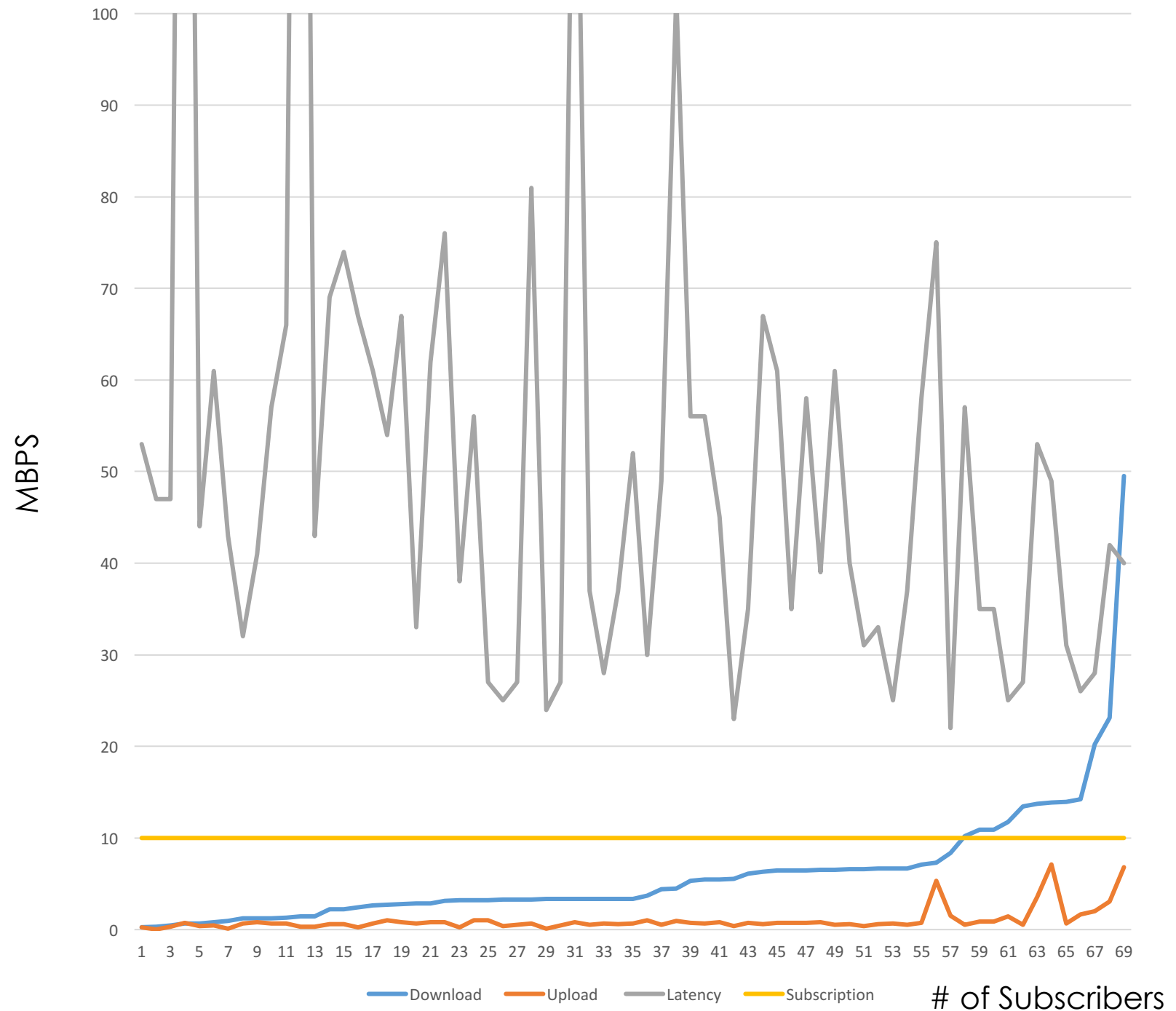




crowdfiber

10 MB Subscriptions

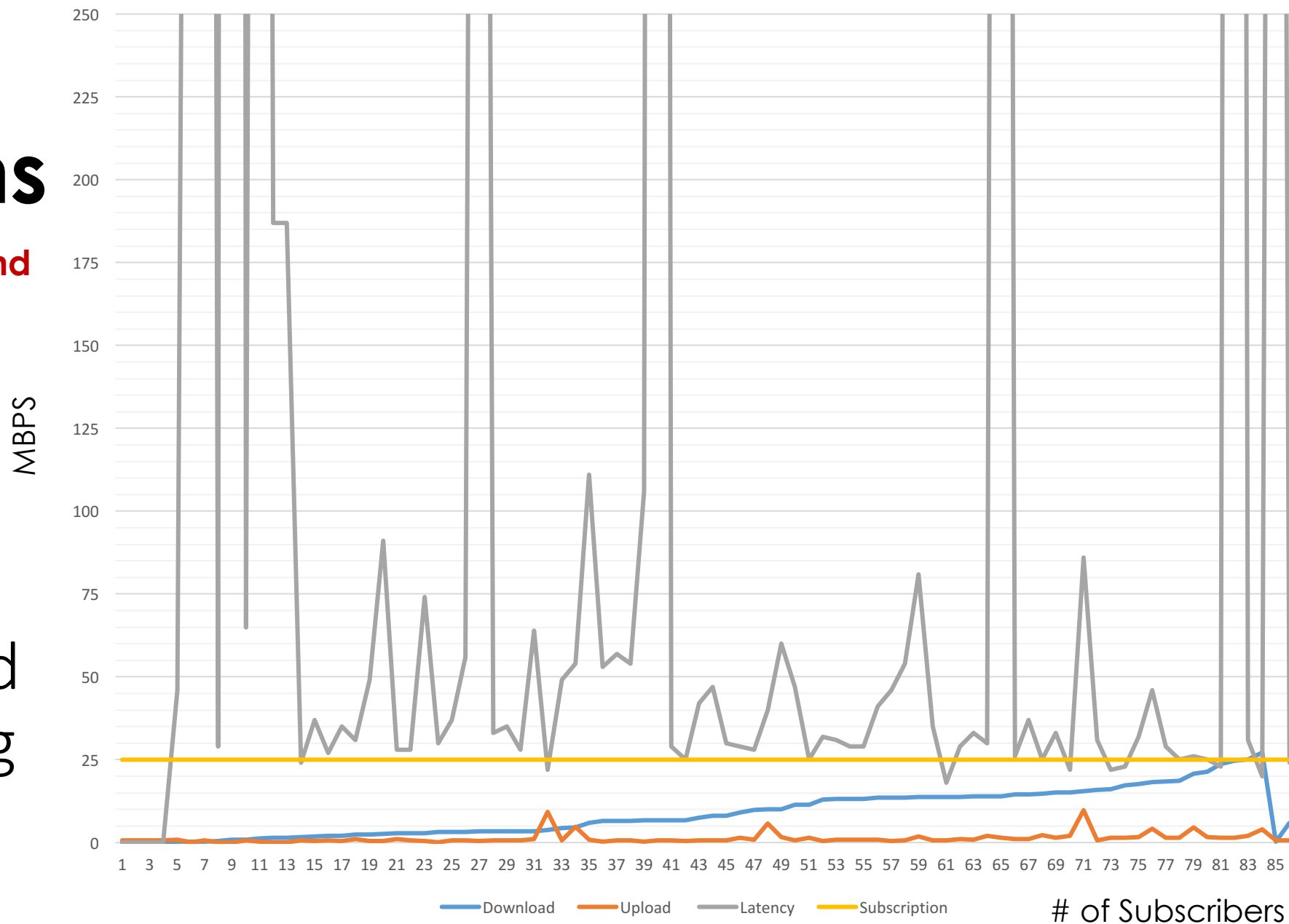
Only **16%** of those on the ILEC's 10 MB plan received the upload speed they were paying for.



25 MB Subscriptions

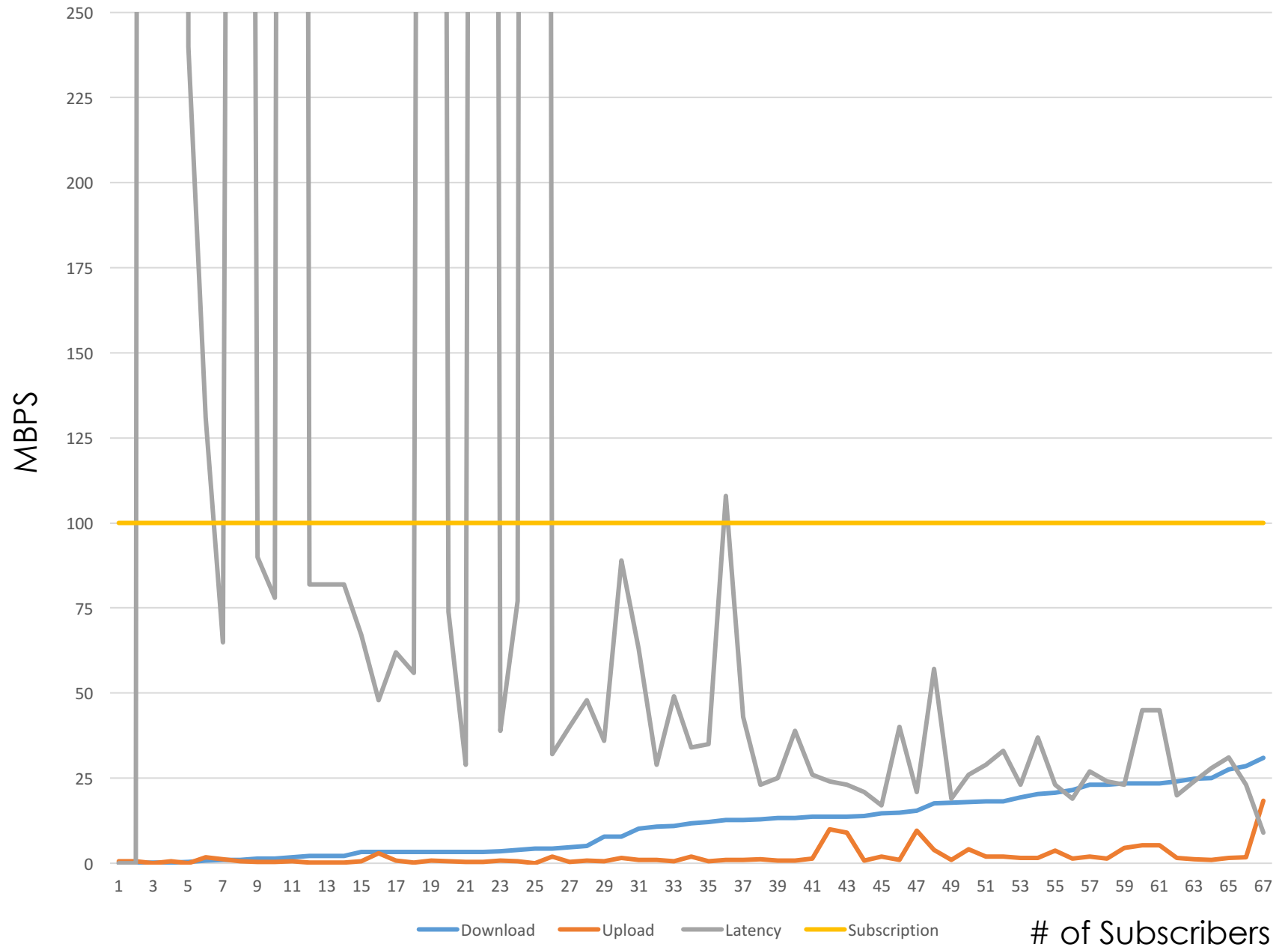
FCC's Definition of Broadband

Only **6%** of those on the ILEC's 25 MB plan received the upload speed they were paying for.



100 MB Subscriptions

0% of those
on the ILEC's
100 MB plan
received the
upload speed
they were paying
for.



Connect America Fund

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For Immediate Release

Windstream Communications Accepts Nearly \$175 Million in Annual Support from Connect America Fund to Expand and Support Broadband for Over 800,000 Rural Americans

Washington, D.C. (Aug. 5, 2015) – Windstream Communications Inc. has accepted \$174,895,478 in annual, ongoing support from the Connect America Fund to expand and support broadband for over 800,000 of its rural customers in 17 states.

The Connect America Fund support will enable Windstream to deliver broadband at speeds of at least 10 Mbps for downloads and 1 Mbps uploads to over 404,000 homes and businesses in its rural service areas nationwide where the cost of broadband deployment might otherwise be prohibitive.

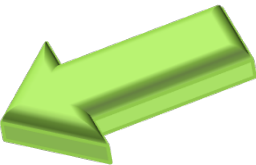
“Windstream’s decision to accept support from the Connect America Fund will greatly benefit its rural customers by expanding robust broadband in their communities,” said FCC Chairman Tom Wheeler. “The Connect America Fund is delivering on its promise of ensuring that all Americans have access to the opportunities provided by modern broadband service, no matter where they live.”

Below is a state-by-state list of the amount of annual support provided and number of homes and businesses served:

CAFII - Final Adopted Model for Offer of Model - Based Support to Price Cap Carriers - CAM 4.3	Homes and Businesses Supported	Support Amount by State
Windstream Total	404,625	\$ 174,895,478
AL	1,889	\$ 511,038
AR	32,312	\$ 13,163,783
EL	17,891	\$ 5,236,626
GA	64,721	\$ 24,867,807
IA	44,930	\$ 28,672,554
KY	62,070	\$ 21,576,987
MN	4,440	\$ 1,519,855

Connect America Funding Award Detail By State

Windstream has received \$24M
for Georgia to date under this
program per USAC reporting to
serve 65,000 homes & businesses
with 10/1 MB.



MO	27,509	\$ 14,187,910
MS	2,760	\$ 917,403
NC	6,988	\$ 1,952,082
NE	21,560	\$ 13,591,437
NY	5,210	\$ 1,557,976
OH	13,073	\$ 4,154,270
OK	16,741	\$ 7,788,213
PA	34,807	\$ 13,001,364
SC	3,144	\$ 935,383
TX	44,580	\$ 21,260,790

Like telephone service in the 20th Century, broadband has become essential to life in the 21st Century. But, according to the FCC's latest Broadband Progress Report, nearly one in three rural Americans lack access to 10/1 broadband, compared to only one in 100 urban Americans. The Connect America Fund is designed to close that rural-urban digital divide.

The FCC's traditional universal service program succeeded in ensuring telephone network coverage in rural America by providing subsidies where the cost of service would otherwise be prohibitive. In late 2011, the FCC modernized the program to support networks capable of providing broadband and voice services, and created the Connect America Fund to efficiently and effectively administer that support to expand broadband in rural areas where market forces alone can't support expansion.

Since then, Phase I of Connect America has provided \$438 million, including over \$87.3 million to Windstream, to expand broadband to nearly 1.7 million people in over 637,000 rural homes and businesses in 45 states and Puerto Rico. Over the next six years, Phase II of Connect America will provide more than \$10 billion to expand broadband-capable networks throughout rural America nationwide, all without increasing the cost of the program to ratepayers.

In addition to Windstream, Frontier Communications Inc. has also accepted Phase II funding, which will expand service to 1.3 million Frontier customers in 28 states. Overall, the FCC's Universal Service Fund allocates \$4.5 billion annually through various universal service programs for high-cost areas to support voice- and broadband-capable networks in rural America.

Carriers receiving Connect America Fund support must build out broadband to 40% of funded locations by the end 2017, 60% by end of 2018, and 100% by the end of 2020.

Additionally, Windstream received \$87M in CAF Phase 1 one-time payments to expand and improve broadband.

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For Immediate Release

AT&T Accepts Nearly \$428 Million in Annual Support from Connect America Fund to Expand and Support Broadband for Over 2.2 Million Rural Consumers in 18 States

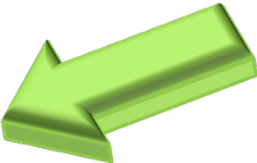
WASHINGTON, August 27, 2015 – AT&T, Inc. has accepted \$427,706,650 in annual, ongoing support from the Connect America Fund to expand and support broadband for over 2.2 million of its rural customers.

The Connect America Fund support will enable AT&T to deliver broadband at speeds of at least 10 Mbps for downloads and 1 Mbps uploads to over 1.1 million homes and businesses in its rural service areas where the cost of broadband deployment might otherwise be prohibitive.

“AT&T’s acceptance of close to one-half billion dollars annually from the Connect America Fund represents a huge investment in broadband for its rural customers,” said FCC Chairman Tom Wheeler. “This is one of the largest amounts accepted by any company. The financial support provided by American ratepayers will bring significant benefits to AT&T’s rural communities, and we urge state and local leaders to help communities realize these benefits by facilitating the broadband buildout.”

Below is the amount of annual support provided by the offer and number of homes and businesses served by state:

State	Total Homes and Businesses Reached	Amount of Support (in dollars)
AT&T Total	1,117,806	\$427,706,650
AL	66,766	\$23,161,780
AR	51,792	\$21,350,835
CA	141,540	\$60,240,434
ET	25,473	\$8,485,813
GA	67,402	\$25,345,199

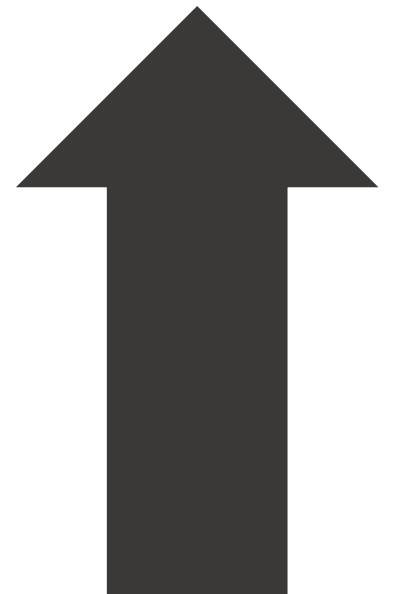
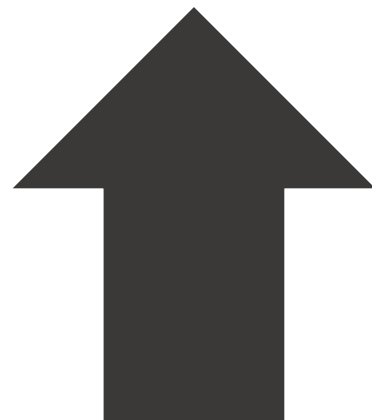


AT&T has received \$25M for Georgia to date under this program per USAC reporting to serve 69,000 homes & businesses with 10/1 MB.

**ALL FUNDED
INTERNALLY.**

REINVESTMENT

**NGN Projecting 50% Growth in Total
Subscribers Served In 2017**



THE NGN MODEL

EMC/
Utility



NGN



NGN
Connect

Role: Dark Fiber Lessor

- Builds fiber infrastructure for electric smart grid to substations, member meters, and key plant facilities.
- Excess capacity leased to NGN.



Role: Dark Fiber Lessee / Wholesaler

- Leases dark fiber from Utility and lights it.
- Sells use of LIT fiber strands to service providers who want to provide quality broadband services to the community. ex. NGN Connect



Role: Retail Internet Service Provider (CLEC)

- Buys access to LIT fiber strands from NGN.
- Sells reliable, high speed broadband services to Rural Americans who would have had no other option than the incumbent provider if not for the EMC/Utility.



CONTACT



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